



ORIGINAL



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A subsidiary of Pinnacle West Capital Corporation

Jack Davis
President &
Chief Executive Officer

E-01345A-05-0816

Mail Station 8516
P.O. Box 53999
Phoenix, AZ 85072-3999

November 2005

L. J. Raubenheimer
12817 N 68 St
Scottsdale, AZ 85254-4542

AZ CORP COMMISSION
DOCUMENT CONTROL

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RECEIVED

To our Customers:

On Friday, we filed for a 20 percent increase in our electric prices.

The reason won't come as a surprise. Fuel costs are way up – natural gas prices for example, have tripled in the last three years. Those same unprecedented fuel prices you are experiencing when you fill up your car are having a dramatic impact on the cost of electricity.

While fuel costs represent two-thirds of this request, they aren't the only reason. Arizona's future will rely on an electric company that is strong enough to power an expanding economy with electricity that is safe, reliable and environmentally friendly. This increase will allow APS to meet this future, while investing in energy efficiency programs for our customers and building necessary infrastructure to meet the demands of our rapidly growing state.

We have worked very hard to increase our efficiency as a company. We've added more than 300,000 customers over the last decade, without increases in our staff. We've invested in new technology and environmentally friendly energy resources, and have aggressively managed volatile gas prices for the benefit of our customers.

The hard work will not cease, but a price increase has become a necessity.

We understand higher prices aren't welcome news. And, to be clear, this is in addition to the 1.7 percent temporary increase related to fuel price adjustments pending before the Arizona Corporation Commission. We also expect to file for another fuel price adjustment in April 2006 that could be as much as an additional 5 percent, a portion of which is for Palo Verde-related expenses.

We don't like having to ask to increase your bills, but keeping the lights on for our state is a responsibility we take very seriously. A healthy Arizona requires an electric company strong enough to meet our state's needs.

I invite you to learn more about this important issue at BrightArizonaFuture.com.

Sincerely,

Jack E. Davis
President and CEO

Jeff

HELP!

COPY to JACK DAVIS

November 7, 2005

APS
Jack E. Davis, President and CEO
Mail Station 8516
P.O. Box 53999
Phoenix AZ 85072-3999

Dear Sir:

A couple of days ago I received a letter sent to me as a home owner trying to justify a 20 percent rate increase.

I have been sitting on the letter until I cooled down enough to write this letter in response without using the kind of language that I feel like saying at this time. I have given this a lot of thought and the best that I can say is you have got to be kidding! During the hurricanes the price of gas did go up. We were all told that we would all have to bite the bullet and we would get through it. The word ALL to me means just that - which includes APS. To try to justify a 20 percent jump is ludicrous. In the paper today (AZ Republic) was an article on CEO's getting large jumps in salaries. The headline was "CEO salaries sneak up despite performance". I am wondering if this is the reason for the jump.

As far as an additional five percent increase next April because of the Palo Verde expenses I believe that I either read or heard on the news something about the reason for the shut down being it was the fault of the plant and the design done during construction. If this is the case then don't charge me and the rest of the users of this power but go after Bechtel Group, Inc. They are the ones who designed and built the thing in the first place. I had a friend of mine work on the plant as a designer and was on site every day for about 18 months and some of the stories he told after he left the Company were at the time unbelievable. But looking back maybe true. Also the inspectors being wined and dined during the building process makes one wonder if that had anything to do with it. But the bottom line is it is **not my** fault.

In your letter you do not mention anywhere that you are planning to use Solar or Wind power. You state that you want to be environmentally friendly but nowhere do you mention how. It sounds to me like it is just the same old thing - burn gas, coal or whatever you have and nuts to all of us as long as you get yours. So my recommendation is that you get nothing. If you can't make a living with what you now have, then quit. This is not the Army, **here you can quit.**

I would like very much to get a total of a 26.7 percent pay increase both from my retirement and SS check each month, but I know that won't happen. I'm not complaining but it would be nice; or a 26.7 percent reduction in my food bill each month along with a

decrease in medical costs and gas costs and the cost of my water and phone bill but again, it ain't gonna happen so I hope your rate hike fails.

We, as customers, have been asked for years no matter where we have lived to conserve water, gas, electricity, etc. We have done that to the best of our ability. Now that the cutting back is in full swing you want more and more. You state in your letter that you have added more than 300,000 new customers to your system. This sound to me like you are getting more money each and every month so I say use that to build more plants or whatever you need. I hope it includes something really friendly to the environment. Here in Arizona we have sun and in some locations wind, both are clean and quiet and renewable sources of energy. You are not dependent on any foreign land for anything.

To the Arizona Corporation Commission:

I would like to see you deny the request of APS. We, in Arizona, have all had to spend more at all levels to get services and goods needed. Food costs have gone up due to rising fuel costs. These are due to a surcharge put on by the trucking industry and will come off as the price of fuel returns to a more normal rate. Clothing costs are up due to fuel. The cost to go anywhere is up. The person who can least afford it is again paying the bill. I hope that you will do what is right for all of Arizona and deny the rate increase for APS.

Thank you.



David M. Whalen
10126 W. Desert Rock Drive
Sun City AZ 85351-1273

✓ cc: Arizona Corporation Commission
1200 W. Washington Street
Phoenix AZ 85007

E-01345A-05-0816

Robert C. Taylor
21417 N. Black Bear Lodge Drive
Surprise, AZ 85387

November 7, 2005

Jack Davis
President & CEO
APS
Mail Station 8516
P.O. Box 53999
Phoenix, AZ 85072-3999

Dear Mr. Davis:

Let me begin by saying that fuel costs have recently decreased to pre-Katrina prices. They make up a much smaller increase in costs than you allude to in your November letter. Also, the added 300,000 new customers are certainly paying their fair share of costs, not to mention profits that go in your pockets. Reactors at Palo Verde were recently closed because of, among other things, mismanagement.

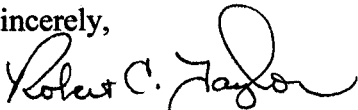
Your proposed price increase is not only ludicrous, it is obscene.

Sir, I would propose that prior to gouging those of us on fixed incomes, or no incomes, you first examine probable mismanagement. How much income is APS earning after your rather large salary? Allow me to remind you that last year Pinnacle earned \$243,000,000! When, if ever, have you reduced costs due to fuel cost decreases? If you are trying to build a consensus for this travesty, start somewhere other than the customers that you are attempting to rape.

I'm certain this increase means nothing to you and your seven figure plus salary but to me, it could mean missing meals and reduced health care. Let's see now, I believe your 2004 compensation, not including stock options, was somewhere in the neighborhood of \$2,000,000. That's a lot of money for running a monopoly.

In summary sir, you, and your proposed price increases, suck.

Sincerely,



Enclosure: Davis November letter

Cc: Arizona Corporation Commission w/enclosure
Various newspapers and broadcasters w/enclosure



A subsidiary of Pinnacle West Capital Corporation

Jack Davis
President &
Chief Executive Officer

Mail Station 8516
P.O. Box 53999
Phoenix, AZ 85072-3999

November 2005

Robert Taylor
21417 N Black Bear Lodge Dr
Surprise, AZ 85387-8205

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I invite you to learn more about this important issue at BrightArizonaFuture.com.

Sincerely,

Jack E. Davis
President and CEO

November 5, 2005

Mr. Jack Davis
President & CEO
APS
400 North 5th Street
Phoenix, AZ 85072 - 3999

*copy sent to
AZ Republic
& Commissioner
Mundell and
Mayes*

Dear Mr. Davis,

I received your letter today re APS filing for a 20 percent increase in our electric prices with a 1.7 percent temporary increase related to fuel price adjustments before the Arizona Corporation Commission and that you expect to file for another fuel price adjustment in April 2006 that could be as much as 5 percent a portion the latter for Palo Verde-related expenses.

The appropriate comment for both the APS and the Arizona Corporation commission, from someone who lives in the Phoenix area and consults internationally re corporations in Washington, DC and California, "People in hell want ice water." Corporation Commissioner, Bill Mundell has it right when he described the rate increase as "truly unbelievable." Also, Commissioner Kris Mayes has it right in saying "it appears that the request seems to be driven by pressure from Wall Street." There are a few of us who have been following what APS keeps describing as a dilemma and understand the convolutions and the arguments put forth by APS. There is a decided difference between what APS would like to have and what the Arizona Corporation Commission must give them. What they must give them at best is half way there on all requests that is a 10 percent increase in electric prices, 0.85 percent related to fuel price adjustments before the Commission and 2.5 percent for Palo Verde-related expenses. We are all being required to do more with less - so be it with APS.

Sincerely,
Max E. Newman
Surprise, AZ 85374
[REDACTED]

Max E. Newman

E-01345A-05-08/6

Shirley M. Goodwill
8400 N. 105th Avenue
Peoria, AZ 85345

Arizona Corporation Commission
1200 W. Washington Street
Metro Phoenix, AZ 85007

Dear Members of the Arizona Corporation Committee,

I am writing in response to the letter I received from APS informing me that they will request a 20% rate hike. This is an absolute outrageous amount on their part.

I understand that the price of fuel is very high. It is also very high for us elderly and poor that are on fixed incomes and can not afford to use it any more as we used to. If they are successful in increasing our rates it will be disastrous for the poor and elderly. Do you or they care? Do they also need to profit as the Oil Companies have done at the cost of maybe causing deaths because we can no longer run our AC's in the high heat times in AZ.?

They have already raised the rates by 4% last April, now a 1.7% for fuel adjustments, than the 20% they are asking for now with an additional 5% in April 2006. That amounts to 30.7% increase in a year.

They say it is their responsibility to keep the lights on and they take it very seriously. They won't be keeping the lights on for many. What a lie. It sounds like they just want to profit big time as the Oil Companies.

They are attempting to get rid of the middle income and poor people in AZ.
Shame on them and shame on you if you grant it!

Sincerely,

Shirley Goodwill

Shirley Goodwill



A subsidiary of Pinnacle West Capital Corporation

Jack Davis
President &
Chief Executive Officer

Mail Station 8516
P.O. Box 53999
Phoenix, AZ 85072-3999

November 2005

Suzanne M. Barkley
11131 Kolina Ln
Sun City, AZ 85351-4353

Corporation Commission.
Please deny these requests
I don't see how I can be more
efficient with electricity and my
income will not increase to cover
these costs. Thank you
Suzanne Barkley

To our Customers:

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